SERVICE CENTER MODERNIZATION INITIATIVE (SCMI)

FY 1999 ANNUAL PERFORMANCE REPORT

The SCMI is an outgrowth of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 as well as efforts dating back to 1993 on the part of county-based USDA agencies to collocate field offices and improve business practices. Participating agencies include the Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS) and the Rural Development Mission Area, made up of the Rural Housing Service (RHS), Rural Business Cooperative Service (RBS), and the Rural Utilities Service (RUS).

The Service Center mission is to, in partnership with individuals and communities, deliver agricultural, rural development, and natural resource programs efficiently and with a quality of service that exceeds customer expectations.

The major programs associated with the SCMI include: (1) Collocation (2) Culture Change (3) Business Process Reengineering and Improvement (4) Consolidation of Administrative Procedures or Support Functions and (5) Integrated Technology.

Through FY 1999, SCMI has been funded through its partner agencies and a FY 1996 $7.5 Million no-year appropriation under the Office of the Secretary.

More information on the SCMI can be found in the Service Center Modernization Plan of the USDA County-Based Agencies and the SCMI's Annual Performance Plan.

The following table provides summary information on the SCMI's achievement of FY 1999 Performance Goals.

<table>
<tr><th colspan="4">SCMI PERFORMANCE GOAL SUMMARY</th></tr>
<tr><th rowspan="2">Strategic Goal/
Management Initiative</th><th rowspan="2">FY 1999 Performance Goals</th><th colspan="2">Performance</th></tr>
<tr><th>Target</th><th>Actual</th></tr>
<tr><td>Goal 1:
Streamline the USDA county structure and establish one-stop USDA Service Centers where agricultural, rural development, and natural resource conservation programs are provided by employees offering exceptional service seamlessly.</td><td>Consolidate USDA field office structure into USDA Service Centers.</td><td>2567</td><td>2679</td></tr>
<tr><td rowspan="4">Goal 2:
Develop seamless program delivery and customer outreach processes that improve the quality of customer service, deliver products and services at reduced costs, and reduce the burden on the USDA customer.</td><td>Increase percentage of customers satisfied with program delivery:
Producers.
Housing.</td><td>

93%
89%</td><td>

91%
92%</td></tr>
<tr><td>Increase percentage of customers satisfied with service quality:
Producers.
Housing.</td><td>

94%
85%</td><td>

92%
88%</td></tr>
<tr><td>Reengineer Service Center business processes (completion through design phase).</td><td>40%</td><td>58%</td></tr>
<tr><td>Reduce labor time required to provide services in Service Centers.</td><td>5%</td><td>9%</td></tr>
</table>

SCMI PERFORMANCE GOAL SUMMARY			
Strategic Goal/ Management Initiative	**FY 1999 Performance Goals**	**Performance**	
		Target	**Actual**
Goal 2: Develop seamless program delivery and customer outreach processes that improve the quality of customer service, deliver products and services at reduced costs, and reduce the burden on the USDA customer. (continued)	Reduce customer paperwork burden.	10%	10%
	Reduce customer travel time to Service Centers (one hour or less of travel time): Producers. Housing.	 80% 83%	 91% 91%
Goal 3: Deploy a shared information technology system for USDA offices that will enable reengineered business processes that improve customer service and reduce program delivery costs and customer burden.	Percentage of certified Service Centers with LAN/WAN/Voice installed.	100%	95%
	Percentage of state offices with LAN/WAN/Voice installed.	90%	49%
	Percentage of Common Computing Environment (CCE) workstations deployed (CCE Phase I).	65%	43%
	Percentage of counties with orthoimagery.	48%	51%
	Percentage of counties with common land unit.	3%	0.7%
	Percentage of counties with soils data.	19%	22%

Goal 1: Streamline the USDA county office structure and establish one-stop USDA Service Centers where agricultural, rural development, and natural resource conservation programs are provided by employees offering exceptional service seamlessly.

Objective: By the end of FY 1999, consolidate the USDA field office structure to establish 2567 Service Centers to deliver USDA programs throughout the U.S.

Key Performance Goals

Consolidate USDA field office structure into USDA Service Centers. **Target:** 2567 **Actual:** 2679

1999 Data: Information regarding the number of Service Centers is provided by the Office Information Profile (OIP) database, and considered to be highly reliable.

Number of USDA Service Centers Established		
Year	**Number of USDA Service Centers**	**Target**
1995	3727	N/A
1996	2882	N/A
1997	2774	N/A
1998	2720	2710
1999	2679	2567
2000		2567
2001		2567

Analysis of Results: The total number of USDA County-based agency field offices has been steadily decreasing since 1995 as consolidations of USDA county-based offices began and offices closed. The successes achieved to date are a direct result of the continuing efforts of the Service Center partner agencies (Farm Service Agency, Natural Resources Conservation Service and the Rural Development Mission Area) to work closely together on this effort. As consolidations close in on the target, the remaining 4% represent only eight of the 50 states where budget constraints and special considerations have significantly impacted achieving the goal. The remaining 42 states have achieved, or are within one or two consolidations of achieving their individual goals.

Description of Actions and Schedules: Office consolidations include moves to collocate agencies serving a given county and closing the redundant facilities. Consolidations were scheduled to be completed in FY 1999; however, that objective has proved to be optimistic as scheduled moves and closures now extend into FY 2000 and FY 2001. The remaining 112 consolidations all represent individual issues and problems. In many instances, these delays are a result of lease considerations for vacating old locations and obtaining the new office space required. As this program enters the closeout phase, each of the remaining consolidations is receiving individual attention until complete and the activities are receiving a management review on a bi-monthly basis.

Current Fiscal Year Performance:

Consolidate USDA field office structure into USDA Service Centers Using the most current OIP data, 41 consolidations were effected fiscal year 1999, leaving slightly over 100 consolidations to be accomplished to meet the goal of 2567.

Program Evaluations: Internal evaluations are continuous through the schedule contained in the Service Center Modernization Plan. Ongoing performance updates in the form of Program Management Reviews (PMR) are provided bi-monthly to the SCMI managers well as the National Food and Agriculture Council (NFAC). The Service Center consolidation project receives close scrutiny to ensure the schedule is on track, and any necessary adjustments are coordinated across the entire SCMI project. Funding expenditures are closely monitored.

The major external evaluations of the SCMI have been the General Accounting Office (GAO) reviews of August 1998 and May 1999. Specific findings have been addressed regarding Service Center “One-Stop” service to partner agency customers. The ongoing activities within the SCMI directly address those GAO issues and serve as the means to effect the changes recommended. Specific information regarding the GAO findings and USDA responses in the SMCI area can be obtained from Mr. Pandor Hadjy, Director, Service Center Operations. He can be contacted at (202)720-4291.

Goal 2: Develop seamless program delivery and customer outreach processes that improve the quality of customer service, deliver products and services at reduced costs, and reduce the burden on the USDA customer.

Objective: By FY 2002, achieve success rates of 90% with respect to customer satisfaction with Service Center program and service delivery.

Objective: By FY 2003, reduce the labor time required to deliver programs and reach out to USDA customers at the Service Centers by 25% while decreasing the paperwork burden on customers by 35%. These targets represent the combined Business Process Reengineering (BPR) and collocation.

Key Performance Goals

<u>Increase percentage of customers satisfied with program delivery.</u>	
Target:	(Within ±3 percentage points) Producers: not less than 93% of producers are satisfied. Housing: not less than 89% of borrowers are satisfied.
Actual:	Producers: 91% of producers are satisfied. Housing: 92% of borrowers are satisfied.
<u>Increase percentage of customers satisfied with service quality.</u>	
Target:	(Within ±3 percentage points) Producers: not less than 94% of producers are satisfied. Housing: not less than 85% of borrowers are satisfied.
Actual:	Producers: 92% of producers are satisfied. Housing: 88% of borrowers are satisfied.
<u>Percentage of Service Center business processes reengineered.</u>	
Target:	40% of projects completed through design phase.
Actual:	58% of products completed through design phase.
<u>Percentage reduction in Service Center labor time required to deliver programs.</u>	
Target:	5%
Actual:	9%
<u>Percentage reduction in paperwork burden.</u>	
Target:	10%
Actual:	10%
<u>Percentage reduction in customer time spent travelling to Service Centers</u>	
Target:	(based on one hour or less travel time, within ±3 percentage points of target) Producers: Not less than 80% of producers travel one hour or less Housing: Not less than 83% of borrowers travel one hour or less.
Actual:	Producers: 91% travel one hour or less. Housing: 91% of borrowers travel one hour or less.

1999 Data: All data above is as of the end of FY 1999. The data for the performance measures 1, 2, 3 and 6 is reliable and is based on actual measurements from the annual customer survey and the BPR team's experience with the reengineering projects during FY 1999. The data for performance measures 4 and 5 come from the business case reviews of BPR projects and some limited pilot testing conducted during FY 1999. While still considered reliable, these data are based on estimates that are difficult to verify.

Customers Satisfied with Program Delivery				
	Actual		Target (±3%)	
Year	P	H	P	H
1997	93%	89%	Benchmark	
1998	Not Measured		N/A	N/A
1999	91%	92%	93%	89%
2000			93%	89%
2001			93%	89%

Legend: P = Producers
H = Housing Borrowers

Customers Satisfied with Service Quality				
	Percent Satisfied		Target (±3%)	
Year	P	H	P	H
1997	94%	85%	Benchmark	
1998	Not Measured		N/A	N/A
1999	92%	88%	94%	85%
2000			94%	85%
2001			94%	85%

Legend: P = Producers
H = Housing Borrowers

Service Center Business Processes Reengineered				
Year	# Reengineered	Total	Percent	Target
1998	0	19	0%	15%
1999	11	19	58%	40%
2000				60%
2001				75%

Reduction in Service Center Labor Time Required to Deliver Programs		
Year	Percent Reduction	Target
1998	0%	0%
1999	9%	5%
2000		15%
2001		15%

Reduction in Service Center Customer Paperwork Burden		
Year	Percent Reduction	Target
1998	0%	0%
1999	10%	10%
2000		25%
2001		25%

Customer Travel Time to Service Centers Less Than or Equal to One Hour				
Year	Percent < 1 hr Travel		Target (+3%)	
	P	H	P	H
1997	80%	83%	Benchmark	
1998	Not Measured		N/A	N/A
1999	91%	91%	80%	83%
2000			80%	83%
2001			80%	83%

Legend: P = Producers
H = Housing Borrowers

Analysis of Results: Regarding performance goals/indicators 1 and 2, since the target goals and the observed percentages are within two standard errors (+3 percentage points for both), at the 95% confidence level, there is no statistical difference from 1997 to 1999 in the level of customer satisfaction with Service Center program delivery and service quality for either producers or housing customers. Performance goals/indicators 3, 4, and 5 are tied to the Business Process Reengineering (BPR) activities taking place in support of improving Service Center efficiency and effectiveness. The measure for the BPR was set in the performance plan as completing the design phase of a BPR process, that is to say completing the survey of how things are done currently and what improvement opportunities exist. There is, of course, much work to be done subsequent to the design phase in order to test and implement a reengineered process. FY 1999 was a year of significant progress in the design of the various BPR projects, exceeding the goal set for the FY. Of the 19 BPR projects underway, 14% are at the stage where they are or are about to be pilot tested. The initial pilot testing underway has allowed some progress to be made in the areas of reducing labor time and customer paperwork burden in the Service Centers, which accounted for the attainment of the FY 1999 targets in those areas. As regards to performance goal/indicator 6, the observed travel time to Service Centers for both producers and housing customers noted an improvement of 11% and 8 % respectively between 1997 and 1999 and is a statistically significant improvement for both categories of customers.

Description of Actions and Schedule: All performance measures met the associated performance goals/indicators associated with goal 2.

Current Fiscal Year Performance: SCI has set the foundation in FY 1999 to proceed into FY 2000 in accordance with its Modernization Plan. FY 1999 results listed below indicate that as business applications get fielded and CCE network equipment is deployed, the targets for FY 2000 should easily be met.

<u>Increase percentage of customers satisfied with program delivery.</u> Given the standard error of +3 percentage points, there is no statistical difference from 1997 to 1999 in the level of satisfaction with service center delivery for both producers (93% in ’97 to 91% in ’99) and housing customers (89% in ’97 to 92% in ‘99).

<u>Increase percentage of customers satisfied with service quality.</u> Given the standard error of +3 percentage points, there is no statistical difference from 1997 to 1999 in the level of customer satisfaction with service center quality for both producers (94% in ’97 to 92% in ’99) and housing customers (85% in ’97 to 88% in ’99).

<u>Percentage of Service Center business processes reengineered.</u> The 58% attainment during FY 1999 in this area represents significant effort in the BPR development area and exceeds the 40% target that had been set for the FY. This target was based on solely completing the design phase of each of the 19

separate BPR projects. The design phase is a necessary precursor to actually developing automated support solutions, testing them in a controlled environment, pilot testing them in actual Service Center sites and making all necessary adjustments before deploying them nationwide.

Percentage reduction in Service Center labor time required to deliver programs. Benefits of initial pilot testing of five BPR projects were evident within the pilot sites conducting the testing during FY 1999. As Business Case Team members made comparisons of labor times prior to the initiation of the pilot testing with the piloted process in place, labor time savings were noted sufficient to nearly double the initial targeted goal of 5%.

Percentage reduction in paperwork burden. As noted above, the initial benefits of limited pilot testing were sufficient to meet the initial FY 1999 objective of a 10% reduction in paperwork burden. In some instances, the reductions have been dramatic, but limited to the pilot testing sites and thus have had a small, but measurable effect nationwide.

Percentage reduction in customer time spent travelling to Service Centers. The 11% difference for producer customers who traveled an hour or less to service centers in 1997 (80%) compared to 1999 (91%) is a statistically significant improvement, as is the 8% difference for housing customers who traveled an hour or less to service centers in 1997 (83%) compared to (91%) in 1999.

Program Evaluations: Internal evaluations are continuous through the schedule contained in the Service Center Modernization Plan. An annual customer survey is conducted to evaluate satisfaction with Service Center performance. Ongoing performance updates in the form of Program Management Reviews (PMR) are provided bi-monthly to the SCMI managers well as the National Food and Agriculture Council. Each element of the customer service and BPR initiatives receive close scrutiny to ensure schedules are on track, or where adjustments are necessary, they are coordinated for effects across the entire project. Funding expenditures are closely monitored, as are the transfers of dollars from the partner agencies to keep progress on track.

Goal 3: Deploy a shared information technology system for USDA offices that will enable reengineered business processes that improve customer service, and reduce program delivery costs and customer burden.

Objective: By the end of the third quarter FY 1999, provide local and wide area networking infrastructure and voice communication capabilities for 100% of Service Centers and 90% of collocated State Offices.

Objective: By the end of FY 2002, deploy a Common Computing Environment (CCE) that allows for sharing common information, and permits all employees to work from a common desktop computer configuration utilizing standardized data in a shared information environment.

Objective: By the end of FY 2004, acquire critical data themes (orthoimagery, common land unit, and soils) to serve as the foundation for a Service Center Geographic Information System (GIS).

Key Performance Goals

Percentage of certified Service Centers with LAN/WAN/Voice installed.

Target: 100%

Actual: 95%

Percentage of State Offices with LAN/WAN/Voice installed.

Target: 90%

Actual: 49%

Percentage of CCE Workstations deployed (CCE Phase I).
Target: 65%
Actual: 43%
Percentage of Counties with orthoimagery.
Target: 48%
Actual: 51%
Percentage of Counties with common land unit.
Target: 3%
Actual: 0.7%
Percentage of Counties with soils data.
Target: 19%
Actual: 22%

1999 Data: Information regarding the progress made in attaining the above performance goals was provided by individual project management areas as of the date indicated, and is considered to be extremely reliable as it reflects an actual count of activities.

Certified Service Centers with LAN/WAN/Voice Installed				
Year	Number LAN/WAN/Voice Installed	Number of Certified Service Centers	Percent	Target
1997	102	2567	4%	4%
1998	1914	2567	75%	70%
1999	2449	2567	95%	100%
2000				100%
2001				100%

State Offices with LAN/WAN/Voice Installed				
Year	Number LAN/WAN/Voice installed	Number of State Offices	Percent	Target
1998	18	71	25%	20%
1999	35	71	49%	90%
2000				90%
2001				90%

CCE Workstations Deployed (CCE Phase I)				
Year	Number Deployed	Total	Percent	Target
1998	0	38,660	0%	0%
1999	16,485	38,660	43%	65%
2000				95%
2001				95%

Counties with Orthoimagery				
Year	**Number with Orthoimagery**	**Total Counties**	**Percent**	**Target**
1997	TBD	3,140	TBD	10%
1998	TBD	3,140	TBD	35%
1999	1,600	3,140	51%	48%
2000				58%
2001				84%
2002				97%
2003				97%
2004				97%

Counties with Common Land Unit				
Year	**Number with Com-mon Land Unit**	**Total Counties**	**Percent**	**Target**
1998	2	3,140	0.1%	0.3%
1999	21	3,140	0.7%	3%
2000	321	3,140	10%	12%
2001				41%
2002				61%
2003				79%
2004				97%

Counties with Soils Data				
Year	**Number with Soils Data**	**Total Counties**	**Percent**	**Target**
1997	86	3,140	3%	2%
1998	338	3,140	11%	11%
1999	704	3,140	22%	19%
2000	1,004	3,140	32%	24%
2001				45%
2002				58%
2003				71%
2004				84%

Analysis of Results: The ability of the Service Centers to operate from a common office automation infrastructure has greatly increased during FY 1999. Shortfalls against projected goals are attributable to shortfalls early in FY 1999 in projected funding for equipment, particularly in the area of CCE Workstation deployment. However, end of FY 1999 hardware purchases will improve the performance in that area early in FY 2000. FY 1999 saw 97% of the hardware purchased in FY 1998 deployed. As regards the LAN/WAN/VOICE shortfalls against FY 1999 targets, the major constraint remains the relatively small number of Service Center consolidations that while planned, have not been executed. Installations cannot take place until facilities are leased and consolidations are complete. State office LAN/WAN/VOICE installations are below target for similar reasons, although in some cases, states have delayed even the planning phase of consolidation for internal reasons. The performance goals for the three themes tracked within the Geographical Information System (GIS) --Orthoimagery, Common Land Unit and Soils Data-- are near or over their targets and continue to show steady progress. The shortfalls in Common Land Unit is a function of budget shortfalls, coupled with an extended pilot phase comparing two separate approaches to deployment. It should be noted that the End State of the GIS does not provide for each of the three themes to be extended to each county, but rather the FY 2004 percentage goals reflect the desired End State for each component of the system.

Description of Actions and Schedules: The transition of LAN/WAN/VOICE activities to a converged information technology was documented for planning purposes and execution began as Service Centers consolidated locations in facilities that could be certified as compliant with the requirements for the technology. The schedule remains linked to the Service Center consolidation schedule, which is set to continue through FY 2000 and into FY 2001. The GIS schedule of deployments calls for extending the technology to approximately 600 counties per year until the desired End State for each of the three themes is reached.

Current Fiscal Year Performance: With the acquisition of almost 30,000 workstations, the office collocations, the LWV installations, and the focused effort deployment of GIS themes, SCI expects to tie the CCE infrastructure together with network and other servers. SCI targets for FY 2000 will be realized if the acquisitions outlined in the Modernization Plan are fully funded.

<u>Percentage of certified Service Centers with LAN/WAN/Voice installed.</u> LAN/WAN/VOICE Installations during FY 1999 continued at a rapid pace with 535 installations completed. Installations have leveled off to where required additional office consolidations must occur before the remaining 5% of installations can be completed.

<u>Percentage of State Offices with LAN/WAN/Voice installed.</u> The progress made in FY 1999 in State Office LAN/WAN/VOICE installation increased the installed percentage from 25% to 49%. However, the relatively small numbers of State Offices (17 total installations in FY 1999) completed reflect the slow pace of this process based on the readiness of the remaining State Offices to fund and accept their LAN/WANVOICE installations.

<u>Percentage CCE Workstations deployed (CCE Phase I).</u> FY 1999 saw 97% of the 16,465 workstations purchased in FY 1998 deployed to sites. This increased the percentage of deployed workstations from 0% to 43%, 12% short of the expected target.

<u>Percentage of Counties with Orthoimagery.</u> FY 1999 saw continued extension of the orthoimagery technology to increase the total to 1,600 counties, representing 51% of the total counties, exceeding the scheduled target of 48%.

<u>Percentage of Counties with Common Land Unit.</u> FY 1999 extensions of the Common Land Unit portion of the GIS technology consisted of 19 deployments of the technology, bringing the total counties completed to 21 (0.7%). The low numbers reflect the small FY 1999 target (3%) and are indicative of the early stage this project and an ongoing comparison of two separate approaches to the Common Land Unit deployment being piloted for ultimate selection of one as the model for national extension. The slow start reflects the efforts ongoing to capture all of the lessons learned prior to a decision on the preferred approach.

<u>Percentage of Counties with Soils Data.</u> FY 1999 doubled the deployment of the Soils Data portion of the GIS technology over the prior years (338 total to 704 total counties during FY 1999). The project is on track with the schedule set out in the deployment plan and exceeded the performance target by 3%.

Program Evaluations: Internal evaluations are continuous through the schedule contained in the Service Center Modernization Plan. Ongoing performance updates in the form of Program Management Reviews are provided bi-monthly to the SCMI managers well as the National Food and Agriculture Council. Each element of the automation initiative receives close scrutiny to ensure schedules are on track, or where adjustments are necessary, they are coordinated for effects across the entire project. Funding expenditures are closely monitored, as are the required transfers of dollars from the partner agencies to keep progress on track.